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PARIS, MONDAY, DECEMBER 14, 1987

ESTABLISHED 1887

White House Said to Warn Fed Officials Worry Current Monetary Policy Risks Recession

By Paul Blustein and John M. Berry. WASHINGTON — Top Reagan administration officials...



Palestinians Arrested in 5th Day of Gaza Violence

Two of the Palestinians arrested Sunday during a raid on the Mughazi refugee camp in the Gaza Strip...

U.S. Says It Awaits Results

WASHINGTON — Reagan administration officials mixed confidence with caution Sunday...

Klosk Tehran Delays OPEC Accord

A draft agreement to defend OPEC's \$18-a-barrel oil price next year ran into trouble Sunday...

As Required, Reagan and Gorbachev Made Summit a Success

By David Hoffman and Don Oberdorfer. WASHINGTON — In the soft elegance of the White House library...

MONDAY Q&A profile section with a small photo of a man.

Martens Heads For Defeat in Belgian Poll

BRUSSELS — Prime Minister Wilfried Martens appeared to be heading for defeat in general elections Sunday...



Sandinist Military Chief Outlines Major Buildup

By William Branigan. MANAGUA — The Sandinist government is engaged in a long-term military buildup aimed at purging up to 600,000 Nicaraguans...

Der Seachtete section with a small photo of a man.

Iran Is Said to Use New Device to Set Tankers Afire

DUBAI — Iran is using a new device to set fire to tankers in the Gulf, shipping sources said Sunday...

Iran Is Said to Use New Device to Set Tankers Afire

"We suspect a new projectile," the agent said, "some kind of incendiary with phosphorus perhaps, which turns the ships into torches."

North Pole East: The Real Story In Hong Kong, No Reindeer or Snow but Much Green Tea

By Patrick L. Smith. HONG KONG — Here's a true-life look at Santa's workshops for those who've graduated from rompers...

No Breakthrough Toys For Europe This Year

By Kurt Ruderman. PARIS — What are the smash-hit toys that Santa Claus will be handing out this year? If the toy makers of France, Britain and West Germany can be believed...



Two youngsters discuss toy prospects in a French shop.



AMERICAN TOPICS



ON COMET, ON CUPID, AND ON PONTOONS — outposts near Ketchikan, Alaska. Reaching the Eskimo communities and logging outfits requires a sea plane.

He Won the Battle of the Bottle With a Refusal to Swear Off

For 25 years James Almbad of Portland, Oregon, was "in an intoxicated stupor," and for the last 10 of those years he failed at his every attempt to overcome alcoholism.

Then he hit on this technique, according to his letter to U.S. News & World Report, and for over two years it has worked: "I wake up and tell myself: 'Tomorrow, I'll get drunk as a skunk — tomorrow.'"

Short Takes

Only 739 people received U.S. doctorates in mathematics in the 1986-87 school year and only 362 of them were U.S. citizens, according to Edward A. Connors of the University of Massachusetts.

Some New Jersey cities have long complained about having prisons named after them, so prisons have been renamed with geographical designations.

More people are going hunting but fewer are getting shot and killed in hunting accidents. Experts credit safety courses, now required by 35 of the 50 states for anyone applying for a first-time hunting license.

Priscilla Steenhook shows tourists around the small white frame house in Somerset, Iowa, where the actor John Wayne, was born May 26, 1907.

Notes About People

Nancy Reagan was the force behind removing hard-line conservatives from the administration, according to a forthcoming book, "Behind the Scenes" (William Morrow & Co.) by Michael K. Deaver.

to replace Richard V. Allen and William P. Clark as national security advisers, Donald T. Regan as chief of staff and James G. Watt as interior secretary.

Rear Admiral John M. Poindecker, a former national security adviser to Mr. Reagan, has retired from the navy at his permanent two-star rank of rear admiral with a \$52,764 annual pension for 29 years of service.

Judge Robert H. Bork has broken his silence over the U.S. Senate's rejection of his nomination for the Supreme Court by a 58-42 vote on Oct. 23.

Senate Bill Includes Funds for Contras

By Jonathan Fuerbringer New York Times Service

WASHINGTON — The Senate has approved a \$606 billion catch-all appropriation bill that includes \$7.6 billion of the spending cuts required by the budget compromise between Congress and the White House.

The bill was approved, 72-21, just before 3 A.M. Saturday after 17 hours of debate. It now goes to the House of Representatives.

But aides to the House Republican leadership and an important Democratic representative said they thought it could be approved.

Canada Rearrests U.S. Businessman In High-Tech Plot

VANCOUVER, British Columbia — Charles McVey 24, an American fugitive wanted in the United States in connection with a multi-million-dollar plot to sell advanced technology to the Soviet Union.

At the extradition hearing Friday, Judge Raymond Cooper cited major errors in the documentary evidence supplied by the U.S. government and released the 64-year-old California businessman.

As he walked from the court, he was rearrested on new charges by the United States that he and others had transported stolen computer software from California to British Columbia.

At the Friday hearing, Mr. McVey was accused of being the ringleader of a complex plot to export sophisticated computer hardware illegally to the Soviet Union through Switzerland and Mexico.

Ozal Ends Checkup in U.S.

ANKARA — Prime Minister Turgut Ozal of Turkey returned home Sunday following eye surgery and medical checks in the United States.

the contra aid amendment, said the rebels would be able to transport some military equipment that already had been purchased on planes carrying the nonmilitary supplies. He estimated there could be about \$1.5 million of military supplies that could qualify.

In an effort to tie the money to the peace negotiations under way in Central America, the amendment says that if a cease-fire is negotiated between the contras and the Sandinist government of Nicaragua by Jan. 17, the supplies and the transportation money would be given to "nonpolitical humanitarian international organizations" for distribution.

raoul & curly PERFUMES COSMETICS LEATHER GOODS LIGHTERS PENS GIFTS. TAX FREE SHOP

FINLANDIA VODKA. TRADITIONAL SCANDINAVIAN VODKA DISTILLED SINCE 1888

Defector Cites Sandinist Ploy on Arias Plan

By Joe Pichirallo and Terri Shaw Washington Post Service

WASHINGTON — A former senior aide in the Nicaraguan government who defected to the United States in October says the Sandinists have adopted a strategy to turn the regional peace plan signed by Nicaragua and four other Central American countries into a "weapon" to consolidate Sandinist control.

In his first interview since defecting, Major Roger Miranda Bengoechea said last week that, acting on the direction of the Nicaraguan defense minister, he oversaw the diversion of \$1.4 million in Defense Ministry funds to a omebered Swiss bank account for the personal use of the minister, Humberto Ortega Saavedra.

U.S. officials consider Major Miranda, who has been extensively debriefed by the U.S. Central Intelligence Agency, to be credible and to represent a major breakthrough in penetrating the Sandinist hierarchy.

araguan president, Daniel Ortega Saavedra, confirmed that Major Miranda had been one of his closest aides. He said the major, whom he called alternately the "little worm" and "traitor Miranda," had had access to "important military information and documents" and had taken copies of some records.

He charged that the Reagan administration would attempt to "manipulate" Major Miranda's information and mount a "propaganda show" against the Sandinists to undermine the Central American peace process.

As head of the defense minister's secretariat since 1982, Major Miranda said he had access to minutes of closed meetings of the nine-member National Directorate of the Sandinista National Liberation Front, which rules Nicaragua.

Major Miranda was interviewed in a guarded State Department conference room. His revelations

during more than four hours of questioning, arranged and monitored by State Department officials, included the following:

• He said the Sandinists have negotiated secret military agreements with the Soviet Union and Cuba that call for a major military buildup over the next seven years, including delivery of MiG-21 jet fighters and enough arms for a military force of 80,000 full- and part-time soldiers.

• In addition to General Ortega's Swiss bank account, Major Miranda said, top military officers have used a slush fund in Panama for personal expenses.

• In violation of the regional peace plan, written by President Oscar Arias Sanchez of Costa Rica, the major said, the Sandinists continue to support leftist Salvadoran guerrillas.

• The effects of the six-year war against the rebels, commonly known as contras, have begun to take their toll inside Nicaragua. Major Miranda said the contras' greatest failure has been their inability to tap the discontent in Nicaragua's urban centers.

"As the years pass," the major said, "the situation of the Sandinista leadership gets more difficult. That does not mean that in the next month or so they will be defeated, but that the effects of the war are beginning to be felt in such a poor country as Nicaragua."

Humberto Ortega has said he is beginning to feel the rope around his neck.

He said the Sandinists are insecure about their relationship with Moscow and "afraid that the Soviets will negotiate over their heads."

Haitian Junta's Election Council Sworn In

PORT-AU-PRINCE, Haiti — The Supreme Court has sworn in a new Election Council chosen by the government to reopen the voting process suspended on Nov. 29 following violence in which more than 30 people were killed.

The ceremony Saturday in the Palace of Justice, with heavily armed troops in the building, appeared to support the view of many Haitians that the new elections, scheduled for Jan. 17, will be controlled by the military.

The nine council members were named Friday to replace the council that was dismissed after gangs using machine guns and machetes killed people attempting to vote.

The political opposition said the dismissal of the independently chosen Election Council was unconstitutional, refused to recognize the new one and called for the resignation of the government, led by Lieutenant General Henri Namphy.

The government had accused the old council of rigging the November elections in favor of a leftist president.

The opposition contends that General Namphy's government is trying to fix the outcome of the Jan. 17 elections in its favor by picking the new commission.

• Makeup of New Panel Earlier, Julia Preston of The Washington Post reported from Port-au-Prince.

The government announced on Friday the names of its nine appointees to the electoral board. None of those selected is a prominent figure, political observers said.

The constitution, approved by an overwhelming public vote in March, stipulates that the Roman Catholic and Protestant churches, human rights groups, a journalists' association, a university council, a confederation of agrarian cooperatives, the Supreme Court, the government council and one other government-linked group must each name a representative to the Election Council.

All but the Supreme Court and the government declined to choose new delegates to replace those they

selected for the dissolved electoral board. Since they declined, the constitution can be interpreted to give the government the right to pick delegates of its own.

The four main opposition parties argue that the ruling government council violated the constitution by abolishing the first electoral board and have demanded that it be reinstated.

General Namphy has been heavily criticized by the United States, Canada and France, among other Western nations, over the collapse of the elections. But he gained support from the conservative prime minister of Jamaica, Edward P.G. Seaga, and the leaders of

four small Caribbean islands who visited Haiti.

Mr. Seaga said that General Namphy had assured him the Haitian armed forces would provide adequate security for the January voting. The army did not intervene to halt the Nov. 29 violence.

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ANTIQUAIRES THE GREATERS PASSERELLE DE L'ART. 13.20 DEC. 1987. ESPACE CHARRIER

INTERNATIONAL Herald Tribune

Success Without Euphoria

Expectations about the summit meeting soared so unreasonably that to some, its genuine successes seem pallid. Already the morning can be heard about failure to reach accord on space-based defenses, on long-range nuclear arms, on Soviet withdrawal from Afghanistan, and on human rights.

No Relief for the Afghans

In a midsummit interview, President Reagan suggested that Mikhail Gorbachev had abandoned the Soviet Union's traditional global ambitions. But you cannot yet prove it in the Gulf, where Mr. Gorbachev turns his back on a pledge to penalize Iran for its thwarting of peace, and least of all in Afghanistan, where he evaded Mr. Reagan's call to set a date for full, expeditious withdrawal of the 120,000 Soviet occupying troops.

The Japanese Auto Quota

U.S. curbs on imports of Japanese cars were supposed to be temporary. Now almost seven years old, their cost to consumers has been staggering and the benefit to American car makers only marginal. Even so, Detroit has come up with a laughable new argument to make the ceiling lower still.

Other Comment

Better a Hollywood Summit

Even though the summit turned out to be a gaudy affair, more glitter than substance, it has rightly been acclaimed for setting the seal on the first real reduction in nuclear weapons since they were invented. Better all the hype of Hollywood than another Hiroshima. The summit has to be recognized, too, for its symbolic value as the first public acknowledgment by the superpowers that they can no longer afford the full burdens of a global

From Jonathan Swift to Mikhail Gorbachev Like Détente, But Without The Others

By John Vinocur

PARIS — The likelihood of the Soviet Union agreeing to scrap all its intermediate-range nuclear missiles seemed so small to Manfred Wörner, the West German defense minister, that he swore he'd crawl 240 miles on his hands and knees if all the missiles disappeared. It seemed an absolutely sound bet, and anyone, like Mr. Wörner, possessing the European constants of reasonableness and disinclination to risk might have taken it.

had the brief backing of Senator Sam Nunn. Representative Les Aspin and even Manfred Wörner six months ago — got swept aside. Too modestly modest. Not the stuff of Paul Bunyans, Berlin Walls (a modest proposal that really happened) or Freedom Shields in Space.

To End America's Logjam, First Extract the 'Key Log'

By Seymour Melman

NEW YORK — When a logjam blocks the flow of logs, the loggers' problem is to discover the "key log," whose extraction unlocks the jam. Similarly, a tangle of short- and long-term problems incapacitates the economy of the United States.

\$2 Trillion: Much of It Was Not for Defense

GEOGRAPHICALLY, a military invasion of the United States is unlikely. Neighboring nations and wide oceans border the country. The only genuine worry is a nuclear attack, a war that even Ronald Reagan acknowledges can have no winners.

At the Manila Summit, Worried Support for the Host

By Seah Chiang Nee

SINGAPORE — As the heads of government of the Association of South East Asian Nations prepare to meet today in Manila, some of them are worried that the Philippines may turn left or fall under communist domination. These concerns will not be aired publicly, but they may be raised in informal, private talks.

There is concern that Aquino will either be ousted or will have to remold her programs to appease her opponents. The government's feelings about communism are unquestionable. ASEAN leaders are concerned that Mrs. Aquino has not been firm enough in dealing with the insurgent threat in the Philippines and with leftist politicians in her government.

OPINION

Debate will continue over the Soviet leader's motives in seeking an era of reconciliation. (It walks, talks and sounds like détente but must carry some other, un-Kissingerian, name.) Mr. Gorbachev yielded little of real substance while scoring public-opinion gains that will come in handy if he and his Politburo colleagues decide to squeeze Mr. Reagan on "star wars" when he is on their turf next year.



Autumn in America.

spur cost minimizing and productivity — resulting in more competence in production. Less dependence on imports would cut the outflow of dollars and raise their value.

100, 75 AND 50 YEARS AGO

1887: Diplomatically III PARIS — Prince Bismarck was well enough to go for a walk (on Dec. 13). In St. Petersburg, people are skeptical as to the Chancellor's illness, which they describe as "diplomatic."

Like Détente, But Without The Others

By Jim Hoagland

WASHINGTON — Out of the Washington summit meeting comes one overriding message: Mikhail Gorbachev is determined to improve Soviet-American relations, and he can count on Ronald Reagan's help in this task. Other nations will now have to adjust their policies to the new diplomatic reality created in Washington last week.

China was the third point of the balance-of-power triangle that Richard Nixon and Henry Kissinger created in launching détente and in playing Moscow and Beijing against each other. But China was absent this time from the superpowers' calculations.

The Chinese and other American friends inevitably will be nervous about the possibility of a key log 1 in 1987 bill sponsored by Representative Ted Weiss, Democrat of New York, and 50 more House members.

1937: U.S. Gunboat Sunk

PARIS — Following the bombing and sinking of the United States gunboat Panay, serving as a floating embassy on the Yangtze River, President Franklin D. Roosevelt personally dictated a sharp protest, requesting that the Emperor of Japan be informed that he was "deeply shocked" and expected full compensation.

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Handwritten signature: J.P. ...



Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30

Prices may vary according to market conditions and other factors.

Dec 10

Dollar Straights

Table of Dollar Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

Western Europe (Other)

Table of Western Europe (Other) bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

United Kingdom

Table of United Kingdom bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

United States

Table of United States bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

DM Straights

Table of DM Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

DM Zero Coupons

Table of DM Zero Coupons bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

Supranational

Table of Supranational bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

ECU Straights

Table of ECU Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

Issuer

Table of Issuer bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Bid.

Euromarts At a Glance

Table of Euromarts At a Glance, showing Eurobond Yields and U.S. 10 Year T-Bill.

Weekly Sales

Table of Weekly Sales, showing various market indices and sales figures.

Treasury Bonds

Table of Treasury Bonds, showing various Treasury bond prices and yields.

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Advertisement for 'BUSINESS' magazine, featuring text in Italian and English, and a photo of a man.

Wall Street Review

Table of Wall Street Review, including NYSE Most Actives, AMEX Most Actives, NYSE Sales, AMEX Sales, NYSE Diaries, and AMEX Diaries.

DM Zero Coupons

Table of DM Zero Coupons, showing various DM zero coupon bond prices.

Selected U.S.A./D.E. Quotations

Table of Selected U.S.A./D.E. Quotations, showing various stock prices.

Toy Connection

Text describing Toy Connection, a company that provides information on toy stocks.

Indigo

Text describing Indigo, a company that provides information on Indigo stocks.

Advertising information for Italy, Switzerland, West Germany, England, Benelux, and Spain.

WestLB

Text describing WestLB, a financial institution, and its services.

Monday, December 14, 1987

Herald INTERNATIONAL Tribune

A Monthly Report for the International Investor

# PERSONAL INVESTING

## Bonds: Disdain for The Dollar

By William G. McBride

**M**ANY Wall Street bond traders showed up at their desks earlier than usual last Thursday morning, a bit anxious before a crucial 9 A.M. announcement of the U.S. trade deficit. When it came, there were gasps around the trading desks. The deficit was nearly 20 percent larger than many analysts had forecast.

The verdict was swift. The dollar tumbled and so did U.S. bond prices. Noted Robert Thomas, economist at Midland Montagu Ltd., in London: "The dollar is still extremely accident prone."

The vulnerability of the U.S. currency has convinced a lot of portfolio managers that the best bets in bonds in 1988 will continue to be in the non-dollar markets. "Another 10 percent decline would not surprise," says David Sheath, a fixed-income specialist with Phillips & Drew in New York.

That means 1988 would mark the fourth year in a row that non-dollar bonds outperform dollar issues. Leading the pack so far this year are British government bonds, which have scored gains in U.S. dollar terms of over 43 percent, according to a Salomon Bros. index. A little over half the gain is currency appreciation. For the dollar-based investor, currency gains have contributed more than

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## Investing in a World of Heightened Risks

### TOKYO:

#### The market defies a chorus of skeptics.

Foreign analysts, who have long comprised a kind of chorus of skepticism, seem to have given up predicting the collapse of Japanese equities. The Tokyo Stock Exchange defied all the prophets of doom this year, despite plummeting markets elsewhere. For 1987, no one expects a surge; neither is anyone forecasting a rout.

The forces driving Tokyo prices upward have changed dramatically in recent months. Until mid-1987, when an 18-month bull run came abruptly to a close, prices were driven essentially by liquidity, in part reflecting a reluctance among manufacturers to invest in productive capacity.

The 1986-87 surge saw the Nikkei index of 225 stocks double by last June. Excess cash flooded into the market, even as economic growth

Continued On Page 8



Traders scrambled to record sales Oct. 22.



Charles Waller

By John Meehan

**A** YEAR ago, professional investors were debating which market would rise the most. These days, they agonize over avoiding the market most likely to stumble again. This obsession with preservation over performance is October's most important legacy.

"The underlying bull market in equities is no longer in tact," warns Gerold Bührer, manager of mutual funds for Union Bank of Switzerland in Zurich. "We're in a period where the risks are very difficult to measure."

Indeed, almost two months after the world's stock markets plunged in response to the historic 508-point decline in the Dow Jones Industrial average, the depth of the Oct. 19 disaster have yet to be measured with certainty. The October carnage wiped out about \$1.7 trillion of shareholder wealth worldwide, according to Salomon Brothers. But the economic consequences remain largely unknown.

Nothing better demonstrates this uncertainty than the distinctly conservative tone of global portfolios as investors prepare for 1988. Despite scattered indications that equity markets may be stabilizing, most money managers and investment strategists have shown little inclination to reduce the cash or bond portions of their portfolios.

Jane Hakham, who manages global equity portfolios for Gartmore Fund Management in London, has raised the cash portion of her funds to a hefty 30 percent. At the beginning of October, her cash allocation was about 8 percent. "In the short term, it's a good idea," she says. "This way I can put money into markets gradually when they show some improvement."

Thomas Robinson, chief international investment strategist for Merrill Lynch, tells his clients that about 20 percent of their portfolios should be in cash with the rest divided equally between stocks and bonds.

UBS, says Mr. Bührer, believes cash and bond exposure should be 62 percent or higher.

At Nomura Capital Management Inc. in New York, president Takao Nakamura has about doubled his normal cash holding to 9 percent and reduced the equity portion of a global portfolio to 33 percent from 38 percent. Bonds account for 53 percent of the portfolio, with five percent held in gold.

The heavy emphasis on fixed-income instruments reflects the belief that interest rates will continue to drop worldwide—at least in the near term—as central banks try to contain recessionary pressures and stabilize the dollar. "We will see a more stimulative style in Japan and Europe," says Mr. Bührer. "The central banks will have to compromise more."

With this in mind, some money managers perceive a certain degree of safety in European stock exchanges. This is especially true for the London market, which was among the hardest hit during the October crash and could benefit from a liquidity-driven rally early next year. Moreover, Britain's economy looks sound, while sterling appears relatively

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### PROFILE



Richard Tomblin

Templeton's Mark Mobius.

## Mining Asia's Small Markets

By Patrick L. Smith

**S**CARCELY a few months ago, Mark Mobius was a picture of frustration. As managing director of Templeton Investment Management (Hong Kong) Ltd., the steep rise of indexes and earnings multiples from Seoul to Bangkok and Singapore was more than a deep sense of discouragement; it was something closer to a career hazard.

As president of the Templeton Emerging Markets Fund, Mr. Mobius is strictly bound by the investment philosophy for which John M. Templeton, who founded the mutual fund group bearing his name, is widely known: a stock's intrinsic worth is primary, and speculative potential counts not at all.

Given these guidelines, Asia's small markets had become almost impossible to play by last summer, Mr. Mobius says. Indeed, by September—six months after Emerging Markets was launched, a month prior to Black Monday—46 percent of the fund's \$110 million in assets was still in the bank.

"I looked at the Asian markets and found that the value just wasn't there," says Mr. Mobius, 51. "We were having a tough time investing anywhere."

Those days are now over, however. By year-end, Mr. Mobius says with evident satisfaction. Emerging Markets will be fully invested for the first time. And as a measure of where he thinks values are most attractive, Asia's weighting moves from 50 percent of Emerging Market's assets to more than 70 percent.

Not surprisingly, perhaps, Mr. Mobius greeted October's global debacle with something less than total chagrin. Although the American Stock Exchange-listed, closed-end fund took its knocks—net-asset value went from an Oct. 8 high of \$10.73 a share to \$7.50—the collapse in prices was the break he had been looking for all year. Last week, the fund was trading at about a 20 percent discount to its net asset value.

"We thrive on this kind of thing," Mr. Mobius says. "I'm not saying we're in for another boom, but it's going to be a pretty respectable year."

Given the increasing prominence of Asian markets in the global equities phenomenon over the past few years, Mr. Mobius is a near-perfect manager for the Emerging Markets Fund. Since earning a doctorate in economics at the Massachusetts Institute of Technology in 1964, he has spent almost his entire professional life in the region.

On joining Vickers de Costa's Asian team seven years ago, he opened the firm's Taiwan office—one of the first foreign techholds permitted by the Taipei government. He then headed International Investment Trust Co. Ltd., the first fund through which overseas investors could enter the Taiwan market, until joining Templeton last year.

Why is Mr. Mobius bullish on the region when most colleagues are making fundamental changes in their Asian investment strategies? The perspective is long term, for another thing, as it is for all Templeton managers. For another, Mr. Mobius is optimistic about the growth outlook in the immediate term.

"Stocks have simply fallen too far out here," he says, "and economic conditions are better than many seem to think. I don't see a U.S. recession, but if there is one, it won't last long."

Apart from steady demand from the United States, Continued On Page 9

### NEW YORK:

#### Amid gloom, some see hope in exports.

It has been a long while since Wall Street has been this gloom. Only four months after the Dow Industrials Average soared to 2,722, the question now is whether it will manage to close the year above 1,895, where it started last January.

As if talk of recession was not worrisome enough, year-end tax selling is expected to test the market in the next few weeks when investors try to wring some modest compensation for their losses during the last few months.

"There is a lot of uncertainty," says Steven Einhorn, co-chairman of the investment policy committee at Goldman Sachs. "For now, the market is not a terribly hospitable place to be."

While Mr. Einhorn does not expect large declines in stock prices, he sees few opportunities when comparing stocks with cash and short-term bonds. "The best I can offer for next year is a do-nothing market. I

Continued On Page 8

### LONDON:

#### The good news is a strong economy.



K. Inglis

Around the City of London financial district these days, a single phrase has become virtual chant: "Cautious optimism."

The reasons for caution are obvious. No investment adviser who wants to be taken seriously could counsel otherwise given the losses U.K. stocks have sustained. On Dec. 3, the financial Times-Stock Exchange 100 Share Index stood some 31 percent below its mid-July peak.

The optimism flows from confidence about the U.K. economy. The go-go recovery years may be gone, yet the economic outlook remains fairly upbeat.

Though forecasters have scaled down estimates to reflect about a £40 billion cut in financial wealth after the plunge in share prices, they still see inflation-adjusted growth next year of 2 to 2.5 percent. While that would be down from estimated growth of 3.5 percent to 4 percent for 1987, it is a respectable performance by British standards.

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### EUROPE:

#### Currency turmoil deepens pessimism.

Though Continental stock markets have been asserting their independence in recent years, the October plunge has convinced brokers and fund managers that the fate of these bourses in the coming year will be tied to forces beyond their local control.

Most of these forces—psychological and fundamental—will likely be negative, putting further pressure on markets that have incurred declines of 30 to 40 percent over the last few months. Some of these markets were already on the ropes when the Oct. 19 punch hit.

In particular, the dollar's latest plunge will likely rob European economies of important export sales, producing lower corporate earnings while cutting economic growth to stagnation levels at best. Investors are being advised to play Continental equities as defensively as possible, with the best bets likely to be found in utilities, chemicals, pharmaceuticals, insurance and food stocks.

Roger Hornett, European equities manager at James Capel & Co. in London, warns against a false rally in the months ahead that could trap unwary investors in another sharp fall later in 1988. The next meeting of the G-7 nations and a realignment of the European Monetary System could well spark a rebound in the short term. But when that rally arrives, he says, "It'll be a raging bear—as grizzly as they come."

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GOLD

# Coin Sales Soar Despite a Hesitant Gold Market

## The mints are working hard to meet demand

By Cynthia Catterson

**T**HE gloom that has clouded the stock markets since October has swelled the ranks of investors in bullion coins. But while precious metals prices have been unable to sustain much of a rally in the wake of the Oct. 19 debacle, most believe the interest in coins will continue.

Worldwide sales of gold coins increased fourfold in the two weeks following the collapse to more than 500,000 ounces, the Gold Information Center reports. Sales of the U.S. Silver Eagle coin, the current market leader in silver bullion, were even more dramatic. The U.S. Mint says sales rose from 100,000 ounces in the two weeks before the market drop to more than 600,000 ounces in the two weeks afterwards.

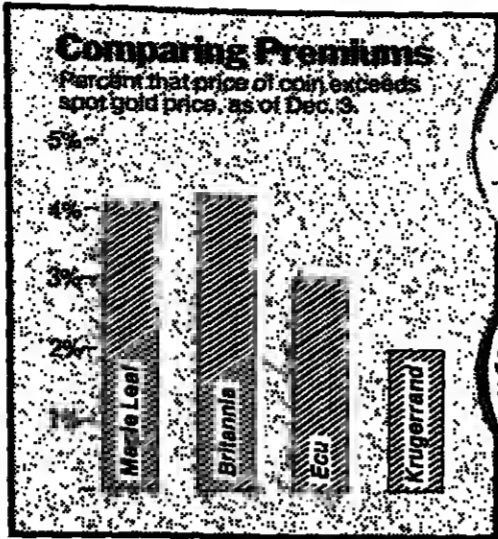
In the absence of another crisis in the financial markets, few metals experts believe the recent high level of demand for coins can be maintained. After all, precious metals prices have been unable to sustain much of a rally in the wake of the Oct. 19 debacle. But most believe the interest in coins will continue.

Stephan Gotwald, vice president at GoldCorp Australia, the government mint, says overall sales of the Australian Nugget have surpassed 300,000 ounces since that coin's introduction last April 23. "It seems certain that sales will exceed our annual forecast of 400,000 ounces," he says.

In large part, the popularity of precious metals coins reflects the desire of investors to diversify their portfolios. And the uncertainties surrounding the financial markets has apparently accelerated purchases. "Precious metals are traditionally seen as a safe haven in turbulent times, and for small investors coins are the easiest way to invest in metals," says Alan Posnick, vice president at Manfra, Tordella and Brookes, a New York coin dealer.

Nowadays, many money managers routinely recommend that an individual's portfolio contain gold. Allocations range between 5 percent and 15 percent of total assets even though precious metals prices are still uncertain.

Indeed, metals analysts are hesitant to make any solid projections for metals prices in the coming year until they have a better grasp of the economic indicators. "It's a difficult time right now to have any unshakable views," says Steve Chronowitz, vice president of futures research at Smith Barney.



He believes gold has the potential to rise above the \$500 level, perhaps approaching \$600 during 1988. Silver, whose role as an industrial metal tends to be emphasized when there are economic concerns, has weakened. But Mr. Chronowitz reckons that prices could move to the \$8 area, if there is no recession.

"At this point everything is up in the air," agrees Bernard Savaiko, senior precious metals analyst at Paine Webber. He believes gold prices will gradually move higher as the U.S. dollar continues to decline. "It has a chance of testing \$510, and going perhaps as high as \$580 before the end of next year," he says.

As for silver, he cautions that prices could be depressed, perhaps to as low as \$3.50 per ounce, if there is a recession. If not, prices could move up to \$7.50 or \$8 by the end of next year, he says.

Demand has been strongest for the coins minted by the United States, Britain and Australia, all of which launched national bullion coin programs this year. The Canadian Maple Leaf, the oldest among the popular coins, is also selling well.

For the most part, a coin's attractiveness is gauged by its "premium," the price it commands above its gold content. Fritz Plass, senior vice president at Deutsche Bank AG in Frankfurt estimates that the four most popular coins trade at roughly the same premium, which ranges between 5 percent and 6 percent above the price of gold.

The South African Kruggerand's premium is about 2 percentage points lower than the other four, but many investors have shied away from the Kruggerand because of political concerns. Moreover, prohibitions on new sales in countries like West Germany and the United States and the possibility of future bans create serious resale problems.

Still, Mr. Plass says that there is an active secondary market for the coin. "After the Maple Leaf, the Kruggerand is tied with the Britannia in turnover sales, followed by the Eagle and Nugget coins, in third and fourth place."

Now that South Africa has stopped minting the coin, Mr. Plass says the political repercussions are moot. "But for investors looking to build a nest egg with gold, the savings on the premium is not worth the risk," he says.

John P. Norris, vice president and head of precious metals trading at Citibank, agrees. "You want to

know that your coin will be accepted anywhere," he says.

Although the major coins account for 95 percent of the market, other coins continue to draw some attention.

Trading at a much higher premium, yet still appealing because of its numismatic qualities, is the Chinese Panda. "The design of the coins change each year and they are minted in limited editions," says Mr. Posnick at Manfra, Tordella and Brookes. Premiums on Panda coins have ranged as high as 20 percent.

The half ounce Belgian Ecu was introduced about 3 months ago and carries about a 4 percent premium. Preliminary sales of the European Currency Unit coin are strong, experts say, because of the keen interest of collectors in new coins. Moreover, low weight coins are more affordable to individuals. Still, dealers doubt the coin will rival the current major bullion coins.

While dealers say that the new bullion coins introduced this year have helped to widen the coin investing market, they question how much room is left for new entries.

Bruce Kaplan, senior vice president at A-Mark Precious Metals, in Beverly Hills, California, suggests that the going could get tough for the Britannia coin, for instance, once the novelty wears thin.

"It's going to be a rough upward battle for the Britannia because the Eagle and the Maple Leaf are already entrenched and backed with large promotional budgets," says Mr. Kaplan. He estimates that the Britannia will capture roughly 4 to 5 percent of the world market after its first year.

"Quite clearly we have seen the saturation point for new coins," adds Deutsche Bank's Mr. Plass. "Unless someone has a brilliant idea for something new. For now everyone has their me-too products and I think the market is satisfied."

### How Pure is Pure?

Next to liquidity and premiums, factors such as design and purity come into play when choosing a coin. The Canadian Maple Leaf and the Australian Nugget are 0.9999 percent pure gold. But the Eagle, Britannia and Kruggerand have a 0.9167 purity because a copper and silver alloy has been added to harden the coins. The purity of the Belgian Ecu is 0.9000.

Although the differences appear slight, the purity issue remains at the center of a curious debate among serious collectors. And the disagreement has yet to be resolved. Those who favor the less pure coins argue that these gold pieces are more durable than the softer so-called "4-9s." The purists, however, insist that coins with the highest gold content maintain their premiums over time. Alloyed coins are less valuable on the resale market, they say, because of melt-down costs associated with removing the other metals.

### PROFILE

## Mining Asia's Small Markets

Continued From Page 7

Asia's largest export market, Mr. Mobius also expects Japan to play a direct role in supporting Asian equity markets as Japanese mutual funds and institutions acclimate themselves to overseas share ownership.

"The Japanese are only beginning to get their feet wet in foreign equities," he says. "The collapse won't necessarily accelerate this, but these markets are becoming steadily more attractive to them anyway."

Seoul and Taipei — markets Mr. Mobius avoided assiduously earlier on — are now his favorites in the region. The Taiwan Stock Exchange is off 42 percent from its high this year. Although the Korean market has fallen only 6 percent, Mr. Mobius is interested in convertible bond issues such as Samsung's, which have dropped much further.

Most of his effort, however, has been toward finding indirect plays in these two markets, since direct investment by foreigners is banned. South Sea Textiles, a Hong Kong-listed concern, has recently brought a Taiwan subsidiary into the listed company, for instance.

Another example is Elders IXL, the Australian conglomerate that listed a subsidiary in Hong Kong several months ago. Elders' investment (Hong Kong) Ltd. has two glass-manufacturing units in South Korea.

"I don't want to be locked into any of these companies," Mr. Mobius says. "But at the end of the day, Korea and Taiwan are the most dynamic countries in Asia. You've got to be there when you can."

The next target is Thailand, whose economy is entering a classic take-off phase fueled partly by an influx of new investment from Japan and elsewhere. The Securities Exchange of Thailand has fallen 39 percent since its October high.

The stocks Mr. Mobius is accumulating are the familiar blue chips: Bangkok Bank, Thai Farmers Bank, Siam Cement and Industrial Finance Corp. of Thailand. Because of the ceilings placed on foreign ownership of Bangkok shares, buying into such issues in quantity is now possible for the first time all year.

When it comes to Manila, liquidity and depth remain chronic problems. Nonetheless, Mr. Mobius is attracted by Philippine Long Distance Telephone, San Miguel and Philippine International Commercial Bank.

"We're not really interested in whether Mrs. Aquino faces a devalued coup, or whether there's a devaluation," Mr. Mobius says of his Manila investments. "The underlying earning power is there, even if you've got instances when things look rather bad."

Although the Singapore and Kuala Lumpur markets have fallen 43 percent and 38 percent, respectively, from their peaks, Mr.



Mark Mobius: Pre-crash value was scarce.

Mobius remains cautious about them because they are traditionally the priciest of Asia's small markets.

Airline System to the Emerging Markets portfolio. In Singapore, he is only looking.

In Kuala Lumpur, Mr. Mobius is adding Malaysian International Shipping Corp. and Malaysian

"I may start buying at some point," he says, "but the values have simply been too high for us to go in."

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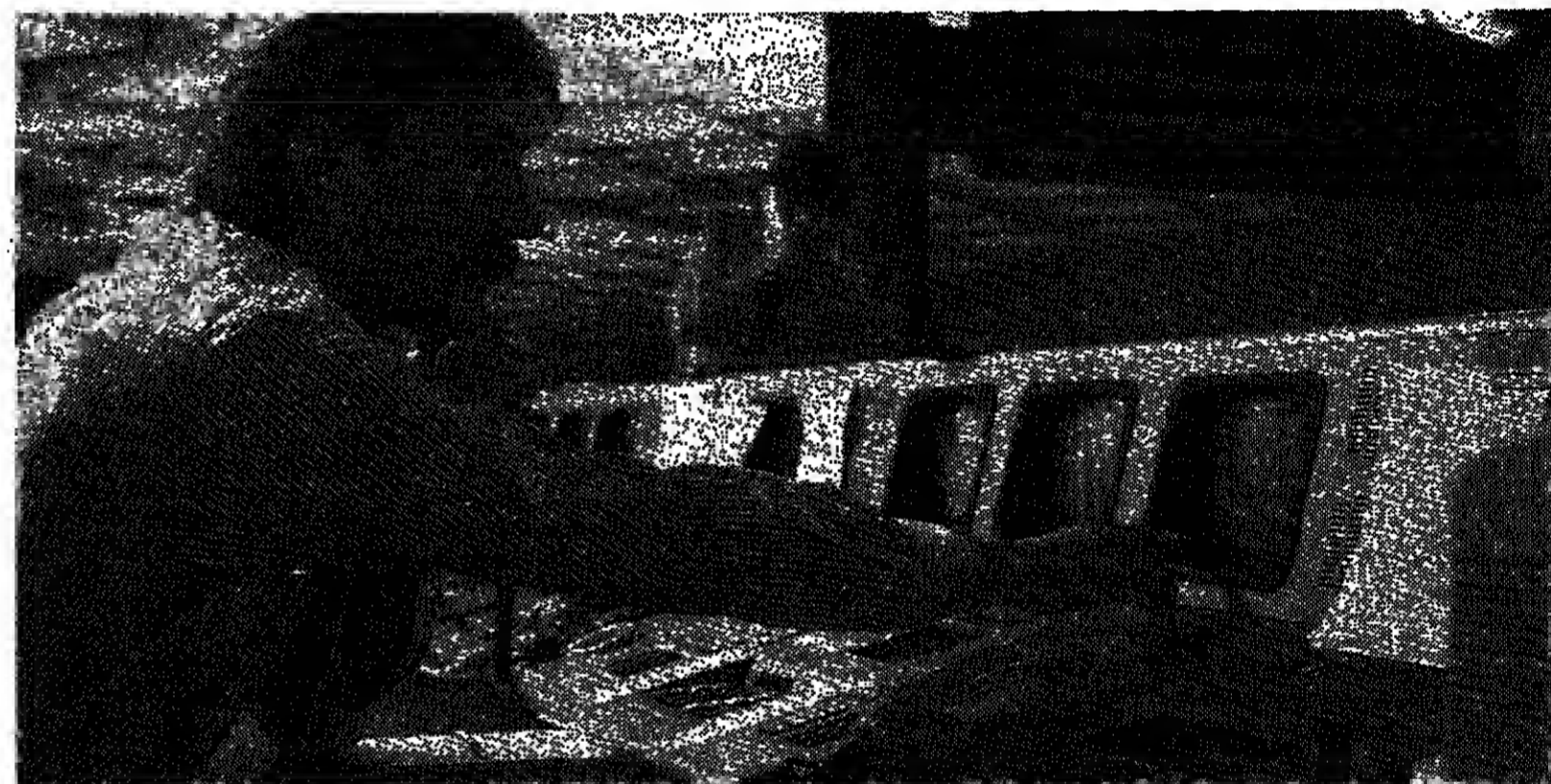
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NASDAQ National Market

OTC Consolidated trading for week ended Friday, Dec. 11

Main table containing NASDAQ National Market data with columns for Sales, High, Low, Close, and Net Change. Includes sub-sections A through Q.

Vertical advertisements on the right side of the page, including 'New Inter', 'French Bank Over Multi-C', and 'EXHAUST: EC'.

Handwritten Arabic text at the bottom center of the page.

New International Bond Issues

Compiled by Laurence Derwies

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Rows include Floating Rate Notes (Sanwa Int'l Finance, Wings 3, Fuji Bank Luxembourg, Corpio) and Fixed Coupon (iKB Int'l, Industrial Credit Corp., Mount Iso Finance, Swedish Export Credit, East Asiatic, Federal Business Development Bank, IAMI Bank Int'l, Equity-Linked (Ranik Hovis McDougall)).

French Bankers Uneasy Over Multi-Options Rise

By Carl Gewirtz

PARIS — The popularity of multi-option facilities for French companies looking to replace more expensive credit lines shows no sign of abating...

INTERNATIONAL CREDIT

are really getting what they think they have and whether participants fully understand the commitments they have undertaken.

However, it is obvious that if the line is ever used, the borrower will choose first to draw lower cost foreign currencies.

EXHAUST: EC Rules Challenged

(Continued from first finance page) today, there is not a single truly lean-burn car in production in Europe.

BONDS: Issue Volume Slips

(Continued from first finance page)

The Euroyen market saw only one new issue, for Italy's IMI financing agency. Although Euroyen paper has recently been in considerable demand...

The dollar last week hit a record low of 128.10 yen following the U.S. report of a record \$17.63 billion trade deficit in October.

Italian Bank Sets Purchase In Argentina

AGENCE FRANCE-PRESSE BUENOS AIRES — The Argentine government has accepted a bid by Italy's Banca Nazionale del Lavoro to buy one of Argentina's largest private banks...

Soviet-Bloc Lines Reportedly Want 6 Airbus Planes

BERLIN — The Soviet airline Aeroflot and East Germany's Interflug are negotiating to obtain six aircraft from Western Europe's Airbus consortium...

BRAZIL: State Sector Unyielding

(Continued from first finance page)

Sign loans since the Latin American debt crisis began in 1982. However, the state's role has changed from one of stimulating growth to one of living off the rest of the economy.

In theory, at least, the government agreed in 1985, after taking office, to reduce state ownership...

DOLLAR: Interest Rate Debate

(Continued from Page 1)

dollar by making dollar-denominated investments less attractive.

Dollar Too Low, Volcker Asserts

WASHINGTON — Paul A. Volcker, former chairman of the Federal Reserve Board, said on Sunday he thought the dollar had fallen too low...

Fed Says It Supported Dollar in Late October

WASHINGTON — The latest currency market report from the U.S. Federal Reserve challenges a widespread belief in financial markets that the central bank let the dollar slide to the end of October without an effort to stop it.

North American Trade Pact Protects U.S. Maritime Sector, Canada's Media

By Clyde H. Farnsworth

WASHINGTON — The United States will continue to protect its maritime industry, and Canada its publishing and film industries...

resentative Sander M. Levin, said they were withholding final judgment on the agreement because of their disappointment with the results of the auto negotiations.

Disputes involving laws to enforce fair trade would no longer be subject to review by the United States Court of International Trade, the Court of Appeals and the United States Supreme Court.

IMF 'Near' to Expanding Poor Nations' Fund

Reuters

WASHINGTON — The International Monetary Fund is near agreement on an \$8 billion increase in the agency's pool of funds for poor nations, monetary sources say.

Britain, France, Italy and Canada. The United States had made it clear that budgetary problems barred it from providing new money for what is called the structural adjustment facility.

This is an excellent opportunity for them to step forward," the official said.

The Oberoi. Bombay. When everything has to be just right. Advertisement for Oberoi Hotels International.

Advertisement for Oberoi Hotels International, featuring a photo of a hotel lobby and text about the Oberoi service.

INTERNATIONAL POSITIONS. Table with columns: TITLE, SALARY, EMPLOYER. Rows include Int'l Product Manager, Overseas Representative, Director, Information & Communications, Analyst/Programmers, Assistant Editor.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Table with columns: Sales in 100s, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

Table with columns: Sales in 100s, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

Table with columns: Sales in 100s, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

Table with columns: Sales in 100s, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

American Exchange Options

Figures as of close of trading Friday, Dec. 11

Table with columns: Option & price, Calls, Puts. Lists various American exchange options and their prices.

Mutual Funds

Figures as of close of trading Friday, Dec. 11

Table with columns: Fund Name, Assets, Return. Lists various mutual funds and their performance.

Mutual Funds

Figures as of close of trading Friday, Dec. 11

Table with columns: Fund Name, Assets, Return. Lists various mutual funds and their performance.

Mutual Funds

Figures as of close of trading Friday, Dec. 11

Table with columns: Fund Name, Assets, Return. Lists various mutual funds and their performance.

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CNN International advertisement featuring the CNN logo and contact information for various international offices.

The Global Newspaper advertisement with a globe graphic and text in Arabic.

Vertical advertisement on the right edge of the page, including 'Chicago Express' and other text.

BA Strikes Back in Battle With SAS Over Caledonian

LONDON — British Airways, battling to block Scandinavian Airlines System's partial bid for British Caledonian Airlines, has asked the government to revoke Caledonian's licenses to fly its routes.

BA made its request Friday to the Civil Aviation Authority after the body approved a £110 million (£201 million) SAS bid for a 26.14 percent stake in Caledonian.

On Thursday, BA raised its own offer to buy Caledonian outright. The new bid is for £200 million; the previous BA offer put a £119 million value on the carrier, which had a loss of £19 million last year.

A spokesman said BA was seeking a full CAA hearing on the question of whether the SAS offer would result in British route licenses passing into foreign hands.

In approving the SAS bid, the body said it would not make BCal a foreign airline. But the CAA's letter to Sir Adam Thomson, Caledonian's chairman, said the panel might change its mind on the question "in light of further argument, should the matter be brought to a public hearing."

BA said in a statement: "If SAS were to acquire a substantial holding in BCal with the potential of control, valuable aviation concessions may have to be given to foreign governments to permit BCal's services to continue."

"Any such concessions would not be in the U.K. public interest," the airline added. "BA considers that the question and implications of potential SAS control should be considered in full hearing by the CAA."

The authority, under the Civil Aviation Act of 1982, may revoke a British carrier's route licenses if it believes control of the carrier has passed into foreign hands.

Sir Adam, Caledonian's chairman, said after the CAA approved the SAS bid: "We are delighted that the entire question of the fu-

ture of BCal will be decided by our shareholders alone."

Investors to Industry PLC, which has a 41 percent shareholding in British Caledonian, said Thursday it would wait a recommendation from the airline before deciding which bid to back.

BA wants to take over BCal to create a huge British carrier to take on the U.S. giants. If it succeeds, an estimated 2,000 jobs would be slashed as the airline relinquishes some domestic and European routes, a condition of government approval.

Arco Freed to Buy in Britoil

LONDON — Atlantic Richfield Co., which is seeking to increase its 7.7 percent stake in Britoil PLC, has been given clearance by Britain's Takeovers and Mergers Panel to buy more Britoil shares.

The advisers, N.M. Rothschild & Sons Ltd., said late Friday that approval came soon after the self-regulatory panel's request that Arco stop buying shares until "outstanding matters are resolved."

Arco said Friday that it bought its stake for 350 pence (56.40) a share, or £135 million. It plans to raise its holdings to 29.9 percent at the same price, and tentatively agreed with Britoil to increase its stake to 49.9 percent by swapping assets for equity.

Analysis says the Arco purchases are an attempt to prevent British Petroleum Co. from taking control of Britoil. BP last week bought a 14.9 percent stake, and after the Arco announcement said it intended to pay more than 350 pence a share for a total holding of 29.9 percent.

Monsanto, Soviets Near Pact on Venture

WASHINGTON — Monsanto Co. and Soviet officials are discussing a joint venture to produce weed killer and final agreement could be reached by March, according to the company's chairman, Richard Mahoney.

The venture would involve building a large herbicide plant in the Soviet Union, he said Friday.

The joint venture would be one of the most extensive undertaken with the Soviet Union. Mr. Mahoney said it would "test the entire economic system."

Mr. Mahoney was among about 80 American business leaders who attended a meeting last Thursday in Washington at which Mikhail S. Gorbachev appealed for more U.S.-Soviet joint ventures.

Under a law that went into effect last January, foreign companies can hold up to 49 percent of joint ventures based in the Soviet Union. The first joint venture by a U.S. company was announced last month. Combustion Engineering Inc. of Stamford, Connecticut, has signed an agreement with the Soviet state oil company to modernize oil and petrochemical facilities.

Other U.S. companies considering joint ventures include Singer Co., Eli Lilly & Co. and Occidental Petroleum Corp. PepsiCo Inc. will shortly begin operating four Pizza Hut restaurants in Moscow.

Monsanto, which is based in St. Louis, Missouri, would provide capital and technical aid to help the Soviets build and manage a plant making the weed killer glyphosate.

Sotheby's, Citing Market Slump, Delays Stock Offering

LONDON — Sotheby's, the world's largest fine arts auctioneer, has said that plans to sell off a third of its shares are being postponed in the aftermath of October's stock market collapse.

Sotheby's president, Michael L. Ainslie, announced the postponement on Friday.

He said the company's financial advisers "have recommended that we postpone the stock offering given the unsettled conditions in the stock market and the resulting lack of receptivity to public offerings."

The privately owned group announced in October that existing shareholders would sell 7,208,000 common shares, or 29 percent of the company's capital, in New York and London.

Had the flotation gone ahead, it would have raised about £400 million (£734 million).

Mr. Ainslie said Sotheby's would watch the stock market to decide the timing, size and structure of any future sale.

The share sale would have resulted in the transfer of only 3.9 percent of the company's voting rights, leaving the present owners in control.

A. Alfred Taubman, a developer of shopping malls, won a takeover battle for Sotheby's in 1983.

Chicago Exchange Options table with columns for Option & price, Colls, Puts, and various market data.

FREE INFORMATION FROM INTERNATIONAL INVESTOR VII Herald Tribune advertisement.

ACCOR A HOTEL, CATERING AND SERVICE COMPANY advertisement.

BAYERISCHE VEREINSBANK AG advertisement featuring a 1986 Annual Report cover.

ECONOCOM advertisement for computer consultancy and implementation.

Europe Intelligence magazine advertisement with a cover image.

HARRIS/3M DON'T WAIT ANY LONGER FAX advertisement.

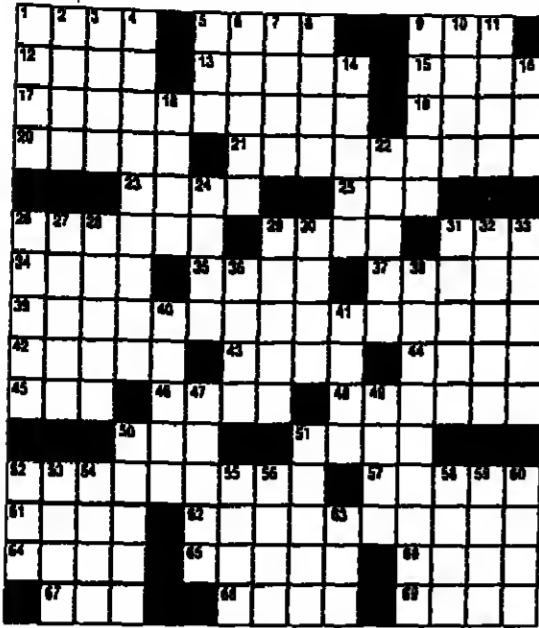
PHILIPS POCKET MEMO YOUR ELECTRONIC NOTEBOOK advertisement.

VEBA AG advertisement for industrial and service organization.

INTERNATIONAL CLASSIFIED ESCORTS & GUIDES advertisement listing various services.

Herald Tribune coupon and contact information for International Investor VII.

SPORTS



ACROSS
1 Duration
5 Landed
9 Hardwood tree
12 First man
13 Spokes of a circle
15 Bar order
17 Oscar winner in 'Sayonara'
18 Soap opera
20 Daub
21 Found
23 Despot
25 Exist
26 Relating to mail
29 One-tenth
31 Part of a mit.
34 Seed covering
35 Reseach
37 Wall Street term
39 Fonda's co-star in 'Julia'
42 Piano exercise
43 Yield
44 Pulled
45 Since, in Scoville
46 Barrel-bottom stuff
48 Takes sap from trees

© New York Times, edited by Eugene Malachuk.



"DO YOU HAVE ANY NAUGHTY PINE?"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes a grid of letters and a cartoon illustration of a man and a woman.

WEATHER table with columns for EUROPE, ASIA, MIDDLE EAST, and OCEANIA, listing high and low temperatures for various cities.

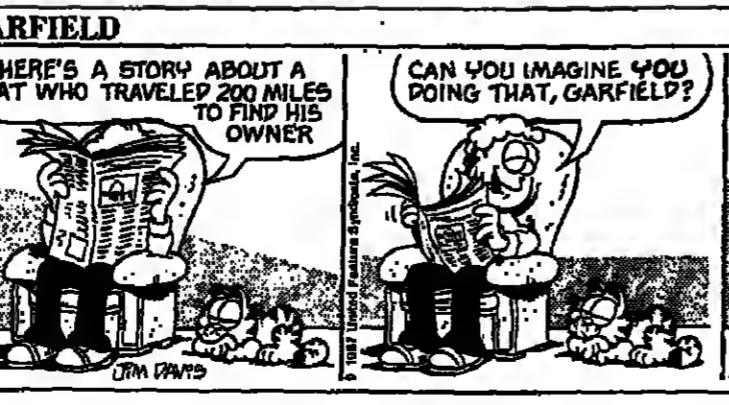
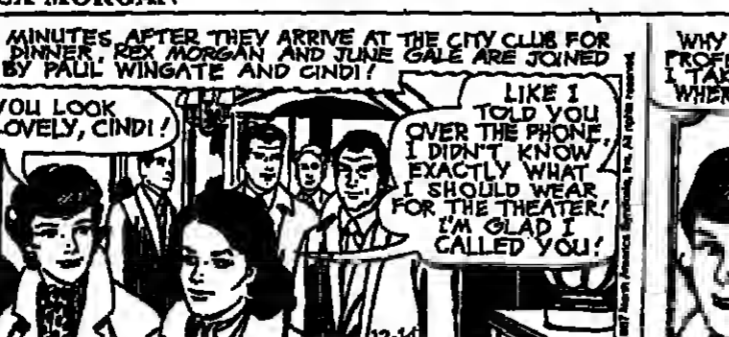
SPORTS BRIEFS

Chang Retains WBC Light Flyweight Title
TAEJON, South Korea (AP) — Chang Jung-ko of South Korea recovered from a first-round knockdown to retain his World Boxing Council light flyweight title Sunday with a unanimous decision over Isidro Perez of Mexico.

Joyner Gets a Second Straight Owens Award
HONOLULU (UPI) — Jackie Joyner-Kersey on Saturday became the first athlete to win track and field's highest honor, the Jesse Owens Memorial Award, for a second time.

Quotable
Mike Murphy, on being fired as coach of the Los Angeles Kings of the NHL: "You know when it really hits home? When your kids say to you, 'Does this mean we don't get any more free tickets?'"

PEANUTS



VANTAGE POINT/Ira Berkow

O Sport! O Love! Oh, Those Billets-Doux
NEW YORK — "The blatant sexism of Ira Berkow's column on Chris Evert — 'Too Much in Love?' — left me sputtering. 'What! I don't believe this!'"

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam
Amsterdam prices marked time last week as a modest recovery during the first four days almost wiped out on Friday in a reaction to worse-than-expected U.S. trade figures for October.

Singapore
Share prices dropped on the Singapore stock market last week, with the Straits Times Industrial index finishing the week at a 16-month low of 724.02, an overall fall of 10.96 points.

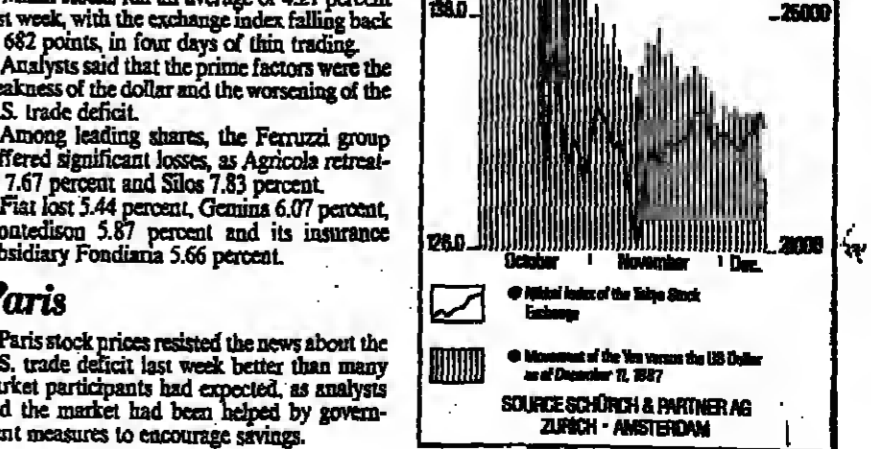
Frankfurt
An incipient recovery on Wall Street did not help the West German stock market much last week, as prices rose by an average of only 2 percent.

Hong Kong
Share prices in Hong Kong seasawed throughout the week, but losses on Monday and at week's end pushed the key Hang Seng index to close Friday down 4.64 points, at 1,989.58.

Zurich
Zurich stock prices ended the week slightly lower, as a Friday drop of around 2 percent wiped out the previous three days' gains.

London
London equities gained last week in generally quiet trading.

Milan
Milan stocks fell an average of 4.21 percent last week, with the exchange index falling back to 682 points, in four days of thin trading.



Handwritten signature: Joly, ciol, SDA



SPORTS

Rockets Send Sampson to Warriors In Exchange for Carroll, Guard Floyd

HOUSTON Forward-center Ralph Sampson, who with Alton Ojajärvi had formed the imposing "Twin Towers" of the National Basketball Association's Houston Rockets, was traded Saturday night to the Golden State Warriors for guard Eric (Sleepy) Floyd and center Joe Barry Carroll.

acquired Purvis Short and World B. Free to play the position of shooting guard. They said they planned to use Floyd at point guard.

Warriors Lose Mullin Starting guard Chris Mullin, suspended by the Warriors for having missed a practice last Thursday, has entered an alcohol rehabilitation program, the team announced Saturday, only two hours before the trade with the Rockets.



Ralph Sampson should continue to inspire a show of hands.

Bills Rout Colts, Dolphins Win For 3-Way Tie in AFC's East

INDIANAPOLIS — Jim Kelly threw touchdown passes Sunday afternoon to Ronnie Harmon and 8 yards to Thurman Johnson as the Buffalo Bills beat the Colts 27-3, to move into first place in the American Conference's East Division of the National Football League.

INDIANAPOLIS — The Colts, now 7-6, did not make good on one third-down attempt and lost the ball four times on interceptions and twice on fumbles. The second fumble, by backup quarterback Sean Salisbury, was recovered by Bruce Smith in the Indianapolis end zone for the Bills' final touchdown, with 1:11 to go.

INDIANAPOLIS — The Bills lost four fumbles, including one by Jamie Mueller that set up the Colts' only score, a 30-yard field goal by Dean Biasucci midway through the second quarter. Kelly completed 18 of 34 passes for 167 yards and extended his streak to 18 games with at least one touchdown pass. The Bills held the Colts' star running back, Eric Dickerson, to 19 yards on 11 carries.

SCOREBOARD

Basketball

NBA Standings table with columns for Eastern Conference and Western Conference, listing teams like Boston, Philadelphia, and Detroit with their records and percentages.

U.S. College Results

Table of Friday's scores for various college basketball games, including Albany 75, Hamilton 75, and Boston 81.

European Soccer

World Cup Draw

Results of Saturday's draw for the qualifying tournaments for the 1990 World Cup. Lists teams for North and Central America, Europe, and Oceania.

Hockey

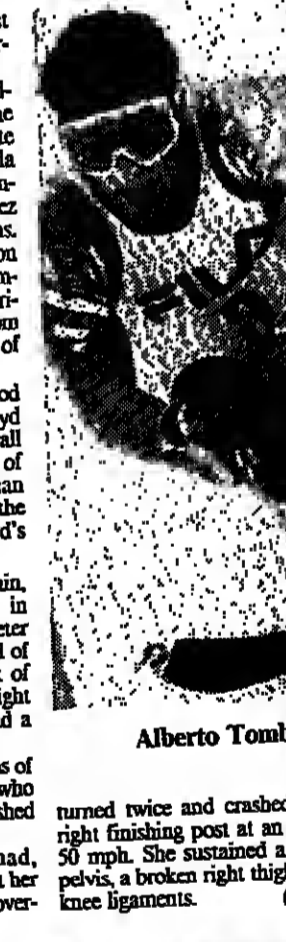
NHL Standings

NHL Standings table with columns for Wales Conference and Patrick Division, listing teams like N.Y. Islanders, New Jersey, and Pittsburgh.

Tomba, Figini Again Ski to Victory, Widen Leads in World Cup Standings

VAL BADIA, Italy — Alberto Tomba of Italy took top honors in the World Cup men's slalom Saturday as he easily won a giant slalom for his third consecutive victory this season.

Regine Mosenlechner of West Germany placed third in the super-G, 1.15 seconds behind Figini. Sunday at Leukerbad, Ida Ladstätter of Austria got her first alpine cup victory by clocking an aggregate 1:34.63 in a slalom, edging Camilla Nilsson of Sweden by four-hundredths of a second.



Alberto Tomba

World Cup Skiing

MEMBER OF THE INTERNATIONAL FRIENDLY BRAZIL 1987-88. Lists names of athletes and their countries participating in the World Cup Skiing event.

Results

ENGLISH FIRST DIVISION. Lists the results of football matches, including Coventry City vs Arsenal 1-1, Tottenham vs Charlton 1-0, and Liverpool vs Southampton 2-0.

Football

U.S. College Results. Lists the results of various college football games, including California vs Michigan 38-27 and North vs South 35-14.

Tennis

Masters Doubles. Lists the results of tennis matches, including M. J. Perry and J. Perry vs M. J. Perry and J. Perry, and M. J. Perry vs M. J. Perry.

Transition

BASEBALL. Lists the results of baseball games, including New York Yankees vs Boston Red Sox 4-3, and Los Angeles Dodgers vs San Francisco Giants 4-3.

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LANGUAGE

Some Yule Gifts of Gab

By William Safire
WASHINGTON — No gift at Christmas reflects better on the giver than the gift of gab. Here are books about words available this year that will enlighten debates, illuminate issues, prop up little kids at the table and prevent doors from slamming shut.

The Random House Dictionary of the English Language: Second Edition—Unabridged is the big book of the year for word mavens. At 2,500 pages, 315,000 entries—50,000 of them new—and more than 13 pounds, it lists for \$79.95.

You might expect a dictionary edited by Stuart Berg Flexner, the world's leading slangster, to be deep into dialect. He will feed you a hero sandwich overstuffing with delectable regional variations: hoagie, poor boy, sub, grinder, wedge and torpedo.

Thanks to the pioneering work by Fred Cassidy's Dictionary of American Regional English, an entry such as pancake has more than the usual differentiation of griddlecake, hot cake and flapjack; Southerners use battercake for what some Northerners call flannel cake, and someone driving from the Northeast to the Southwest is likely to encounter johnnycake, corncake and hoeecake.

The illustrations are usually put in for a semantic purpose, not just to pretty up the page: the Rhododendron Ridgeback is a dog with a funny-looking spine, and is so shown. I don't know if I would have put in the whole dancer when showing her leg warmers, but was glad to see a picture of a hareluck, that flap of fabric that hangs down the back of a hat to protect the neck.

New words? Zap, that exciting imitative verb from World War II, made it as "to kill or shoot," with the additional modern sense of deleting television commercials by pressing the fast-forward button on the videocassette recorder.

Even Gertrude Greer, who was furious with him, admitted that he would probably "get away with it." The reason may be that it is out at all anguished, as so many books about women have been. It is entertaining and, not in the end, abusive. Here is not woman as problem, but woman as lunch companion. And it gives some flavor, for better, for worse or for sillier, of what conversation or "communication" with educated, privileged women of the late 20th century is like. And even a few clues to what they want.

1,155 Pages of Women's Words

By Suzanne Lowry
LONDON — What is it that women want? Sigmund Freud, after a lifetime of probing and pronouncing on the subject, felt in some mysterious sense that he was no wiser.

Modern feminism has made a big cause of discrediting Freud, while giving a whole list of new answers to old questions, and furiously documenting, analyzing and scientifically quantifying female hopes, fears and emotional conundrums. For recent instance, Shere Hite would have it that 84 percent of American women are dissatisfied with their relationships with men. And 98 percent desire "more communication."

Hite's methodology was immediately pronounced suspect, but it may be that last of her statistics, spurious or not, gives some clue to why an extraordinary collection of "successful" women, mostly sophisticated and some downright distinguished, were prepared to talk their heads off for publication to a man who is neither shrink nor sociologist, nor even a writer.

If academics shrieked about Hite's methodology, what would they say about that of Naim Attallah, London-based Palestinian-born entrepreneur, publisher, perfumer, party giver and financier? He has compiled a book of 289 women's lightly edited and in some cases apparently unconsidered words, and published them under his own Quartet imprint in a huge tome called, simply (or pretentiously), "Women." The text is a patchwork quilt of chat, opinions and recollections; not tales from a Vienna couch, but from a Soho lunch table.

The cast includes Tina Brown, Fleur Cowles, Barbara Cartland, Jerry Hall, Diana Vreeland (interviewed by mail, at her request), Lady Annabel Goldsmith (wife of Jimmy), Olivia de Havilland, Yasmin Aga Khan (daughter of Rita Hayworth), Soraya Khushfogg, Doris Lessing, Carolina Ferrar, Emily Prager, André Putman, Charlotte Rampling, Koo Stark, Gloria Steinem, Janet Surman, Delphine Seyrig, Kate Millett, Doris Satchi, Lady Menhlin, Hélène Rochas.

There are Arab women and Jewish women and Malaysian women. A rabbi, a beautician, two nuns, a very powerful investment banker, all manner of female bureaucrats, biographers, publishers, socialites, designers and entrepreneurs. There are women whose names sound more importantly peculiar than their owners can possibly be — like Marie-



Author among the women: (from left) Greer, Hall, de Havilland and Attallah.

Hélène du Chastel de la Howarderie, Lisa St Aubin de Terán, Christine Bogdanowicz-Bindert, Ariana Stassinopoulos Huffington.

The shreds of their conversation on great themes and private dreams, chopped into short takes under headings such as "early influences," "sexuality," "motherhood" and, of course, "relationships," is a bizarre kaleidoscope of the age according to its upmarket Eves. But look not here for analysis or questioning, or any male imperialist interpretation of what is said. This man has sent the dishes back untouched.

The book has, predictably, embarrassed some of its stars. Having knowledge, but not necessarily wisely, subjected themselves to one of the more common modern methods of journalistic investigation, the free-fall, tape-recorded, post-prandial interview, some of the subjects woke up with the nasty feeling that he had been given enough tape to hang themselves, or at least make themselves ridiculous. Others, equally predictably, were miffed to be left out. Vanity publishing "shrieked one reviewer: "a non-book," "289 women of no importance."

Attallah maintains that he was not setting them up, had no intent to ridicule or exploit and expresses the pious hope that his book will contribute in some small way towards a clearer understanding between the sexes. Nevertheless, the result reads rather strangely, because the questions are omitted, and only the general area of discussion suggested by the section head. Thus, under "relationships," one seems to be reading a lot of responses to questions about sexual attractiveness, under "motherhood" about

abortion, and so on. It is rather like listening to an interminable one-sided telephone conversation. But it has the fascination of all dictionaries and reference books (neither of which it is); it is hard to stop dipping into. For bed or bathroom perhaps, but out, at 1,155 pages, for reading in the bus.

Naim Attallah is a figure who flirts simultaneously with notoriety and establishment respectability. He is famous in London for his staff of upper-class ladies with names like Bonham-Carter and Fraser and Sackville-West and Guinness ("Naim's Harem") but also owns The Women's Press, a leading feminist paperback, and The Literary Review, edited by Auberon Waugh. He makes perfumes with blatantly erotic names ("Avant l'Amour" and "Après l'Amour") and is finance director of Asprey's, the grand Bond Street jewellers and silversmiths. He owns a jazz magazine, Wire, and a fine arts journal, Apollo. He backs dress designers and television shows. He is colorful and urbane, presiding over his little empire from the rather cramped headquarters of his Namana group in Soho.

All in all, he contrives to be a walking, talking, lunching affront to the British idea of a businessman and gentleman. He is charming, but seems happily to lack any violent undertone in his manner, of the sort so common among "charming" Anglo-Saxon men.

Naim Attallah was born into a Christian family in Haifa in 1931. The preface to "Women" is a beautifully written account of his early years with a grandmother and an aunt. "Only for you to realize that I was a frail little boy brought up by women, probably pampered by

them, much loved. I am not complaining, but I was a prisoner in a way. They wouldn't let me play with the other boys." He arrived in Britain in 1949, a refugee at 18 with no money and no passport. He worked as a stevedecker, studied engineering, then worked his way up from the bottom in the City to become a foreign-exchange dealer, and on from there. In 1976, he bought Quartet.

He once had ambitions to be a newspaper proprietor; now that is probably out of his reach, but in any case he says that it no longer interests him. His remaining ambition is to produce, write and direct a play — "to do everything to it, out just bits of it." He also wants to write a book about "Love" and a book about "Power" and a book about "Religion." He may not have much time to do so if he goes on with the expansion of "Women." In France, six translators have been working to produce an edition that will add 17 French women (there were already 26) including Arletty, Françoise Giroud and Claire Bréchet. That will appear in January. Then the Canadians want him to add 25 Canadian women and a Dutch publisher wants some Dutch women.

There are no royalties in "Women" and Margaret Thatcher turned him down, making the election her excuse. Edwina Currie, the new junior health minister, wanted to be paid £50. Germaine Greer declined, so did Antonia Fraser. Glensy Kinloch lost her diary and never turned up, but apologized afterwards.

So what has he learned? That Anglo-Saxon women are less secure than South European and Asian women, he says. And that "women are out run by the visual. Accomplished women look for



Angela McLean

deeper things, they are not titillated by the visual like men. And sexually, a woman is difficult to divorce sex from love, men find it very easy, very easy. Also a woman in love, a woman within a relationship, is more loyal."

One might have hoped a man as sophisticated as Attallah knew this kind of stuff already, but then learning was not the point of the exercise. He says it was his liking for women that tempted him into it; "I genuinely like women. I mean genuinely."

So what did these women actually say? The scale of the book is such that it defies representative quotation. One can open it and read a sentence such as "Marriage is the car of life. I do not think it should be for everyone." Or "The fact is it is not easy to be with a man who is weaker than you are." Or "I usually have stupid boy-friends." But there are also long, well-reasoned passages of thinking and argument, albeit still drenched in dated tape-recorded hiccup and repetition.

Even Germaine Greer, who was furious with him, admitted that he would probably "get away with it." The reason may be that it is out at all anguished, as so many books about women have been. It is entertaining and, not in the end, abusive. Here is not woman as problem, but woman as lunch companion. And it gives some flavor, for better, for worse or for sillier, of what conversation or "communication" with educated, privileged women of the late 20th century is like. And even a few clues to what they want.

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